

**CONTRACT #8**  
**RFS # 327.42-069**

**Department of Environment  
& Conservation**

**VENDOR:**  
**Clean Harbors Environmental  
Services, Inc.**



STATE OF TENNESSEE  
DEPARTMENT OF ENVIRONMENT AND CONSERVATION  
ADMINISTRATIVE SERVICES  
401 CHURCH STREET  
NASHVILLE, TENNESSEE 37243

May 26, 2006

RECEIVED

MAY 31 2006

FISCAL REVIEW

James W. White, Executive Director  
Fiscal Review Committee  
General Assembly of the State of Tennessee  
320 Sixth Avenue North, 8<sup>th</sup> Floor  
Nashville, Tennessee 37243

Dear Mr. White:

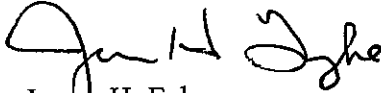
Pursuant to *Tennessee Code Annotated* (TCA) §68-211-829, the Department of Environment and Conservation entered into a contract with Clean Harbors Environmental Services, Inc., on August 1, 2005, to provide mobile collection and disposal of household hazardous waste across the state. The contractor was selected through a request for proposals process. Now the department proposes to amend the contract to significantly enhance the service by diverting nearly 500,000 pounds of latex paint per year from a landfill at no additional cost to the state.

Currently the contractor disposes of treated latex paint in a landfill. This disposal method is acceptable and is in accordance with the contract and the contractor's proposal. The department and the contractor have developed a plan to combine latex paint with oil-based paint and dispose of it at a waste-to-energy facility. The current pricing structure requires that oil-based and latex paint be separated at the point of collection for weighing and billing. The amendment is needed to establish uniform pricing that will eliminate the need for separate collection.

The Solid Waste Management Act of 1991 (TCA §68-211-801 *et seq.*) declares that it is the public policy of this state to make "maximum utilization of the resources contained in solid waste" (Subpart 803). Execution of this amendment will improve compliance with this explicit legislative intent.

Thank you for your consideration of this request.

Sincerely,

  
James H. Fyke  
OF [signature]

## REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

RECEIVED

MAY 31 2006

FISCAL REVIEW

Commissioner of Finance &amp; Administration

Date:

EACH REQUEST ITEM BELOW MUST BE DETAILED OR ADDRESSED AS REQUIRED:

1) RFS # 327.42-069

2) State Agency Name : Department of Environment and Conservation

## EXISTING CONTRACT INFORMATION

3) Service Caption : Mobile Collection and Disposal of Household Hazardous Waste (TCA §68-211-829)

4) Contractor : Clean Harbors Environmental Services, Inc.

5) Contract # FA-06-16506-00

6) Contract Start Date : (attached explanation required if date is &lt; 60 days after F&amp;A receipt) 8/1/05

7) Current Contract End Date IF all Options to Extend the Contract are Exercised : 7/31/10

8) Current Total Maximum Cost IF all Options to Extend the Contract are Exercised : \$6,000,000

## PROPOSED AMENDMENT INFORMATION

9) Proposed Amendment # 1

10) Proposed Contract End Date IF all Options to Extend the Contract are Exercised : 7/31/10

11) Proposed Total Maximum Cost IF all Options to Extend the Contract are Exercised : \$6,000,000

- 12) Approval Criteria : (select one)
- ☒ use of Non-Competitive Negotiation is in the best interest of the state
- ☐ only one uniquely qualified service provider able to provide the service

13) Description of the Proposed Amendment Effects &amp; Any Additional Service :

The proposed amendment would allow the contractor to combine latex paint with oil-based paint and dispose of it at a waste-to-energy facility. The proposed amendment would increase the service rate for latex paint from \$0.26 per pound to \$0.305 per pound and decrease the service rate for oil-based paint from \$0.40 per pound to \$0.305 per pound. Overall, it is estimated that a modest cost savings (\$1,450 annually) will accrue to the state as a result of the proposed amendment.

**14) Explanation of Need for the Proposed Amendment :**

Currently, the contractor disposes of treated latex paint in a landfill. This disposal method is acceptable and is in accordance with the contract and the contractor's proposal. However, the proposed amendment provides an opportunity to significantly enhance the service by diverting nearly 500,000 pounds of latex paint per year from a landfill. The current pricing structure requires that oil-based and latex paint be separated at the point of collection for weighing and billing. Since both types of paint will be treated the same, the amendment is needed to establish uniform pricing that will eliminate the need for separate collection and will protect both parties from any fluctuation in the volumes of each type of paint.

**15) Name & Address of Contractor's Current Principal Owner(s) :**  
(not required if proposed contractor is a state education institution)

Clean Harbors is a publicly traded corporation (Stock Symbol: CLHB) with headquarters located at 1501 Washington Street, Braintree, Massachusetts, 02184.

**16) Documentation of Office for Information Resources Endorsement :**  
(required only if the subject service involves information technology)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**17) Documentation of Department of Personnel Endorsement :**  
(required only if the subject service involves training for state employees)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**18) Documentation of State Architect Endorsement :**  
(required only if the subject service involves construction or real property related services)

select one:



Documentation Not Applicable to this Request



Documentation Attached to this Request

**19) Description of Procuring Agency Efforts to Identify Reasonable, Competitive, Procurement Alternatives :**

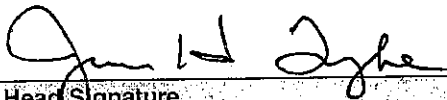
The subject contract was procured through a request for proposals. Clean Harbors submitted the lowest cost proposal and was the best-evaluated proposer over all. Recalculation of scores based on the proposed amendment actually increases Clean Harbors' margin over the other proposers. Because the proposed amendment affects only two (2) of eighteen (18) commodities or categories of commodities collected by the contractor, it would not be practical to enter a separate contract for the collection and disposal of paint.

**20) Justification for the Proposed Non-Competitive Amendment :**

The subject contract (Section A.22) states that "HHW [household hazardous waste] materials shall be recycled or beneficially reused whenever possible." Furthermore, the Solid Waste Management Act of 1991 (TCA §68-211-801 *et. seq.*) declares that it is the public policy of this state to make "maximum utilization of the resources contained in solid waste" (Subpart 803). The agency and the contractor have worked in partnership to develop a plan for diverting nearly 500,000 pounds of latex paint annually from a landfill to a waste-to-energy facility. The proposed non-competitive amendment will permit implementation of the plan.

**REQUESTING AGENCY HEAD SIGNATURE & DATE :**

(must be signed & dated by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR— signature by an authorized signatory will be accepted only in documented exigent circumstances)



Agency Head Signature

5/24/06

Date

**AMENDMENT 1  
TO CONTRACT FA-06-16506-00**

This Contract, by and between the State of Tennessee, Department of Environment and Conservation, hereinafter referred to as the State, and Clean Harbors Environmental Services, Inc., hereinafter referred to as the Contractor, is hereby amended as follows:

1. Delete Section C.3 in its entirety and insert the following in its place:

C.3. Payment Methodology. The Contractor shall be compensated based on the Service Rates enumerated in Exhibit 1, Exhibit 1-A, Exhibit 2, and Exhibit 2-A for units of service authorized by the State in a total amount not to exceed the Contract Maximum Liability established in Section C.1. The Contractor's compensation shall be contingent upon the satisfactory completion of units of service or project milestones defined in Section A.

The Contractor shall submit monthly invoices, in form and substance acceptable to the State with all of the necessary supporting documentation, prior to any payment. Such invoices shall be submitted for completed units of service or project milestones for the amount stipulated. Copies of the manifests under which the wastes were shipped off site and signed certificates of disposition from the final disposal or recycling facility must accompany the invoice for all wastes included in the invoice. The documentation must include the container numbers, types, and weights of the materials.

2. Delete Section C.4 in its entirety and insert the following in its place:

C.4. Unit Cost Adjustment. At the beginning of each State fiscal year (July 1), the unit cost rates shall be adjusted for inflation based on the Consumer Price Index (CPI). The rates shall be adjusted in accordance with the CPI for All Urban Consumers (CPI-U) for the U.S. City Average for All Items, 1982-84=100 (the "Index") published by the Bureau of Labor Statistics, U.S. Department of Labor, Washington, D.C., or its successor index. In the event said Index ceases publication, the adjustment shall be determined by using the CPI for Urban Wage Earners and Clerical Workers (CPI-W) for the U.S. City Average for the same area coverage; or, if not available, then according to the Index most comparable to the Index for All Urban Consumers.

The unit cost rates in Exhibit 1, Exhibit 1-A, Exhibit 2 and Exhibit 2-A shall be used as the base. Adjustments to this base shall equal the percentage change determined from the Index for the preceding year ending on December 31<sup>st</sup>. The amended Payment Rates shall take effect on July 1. Once adjusted, the new Payment Rates shall apply for one (1) year. In no event shall the annual percentage adjustment exceed 3.5%.

3. Add Exhibit 1-A and Exhibit 2-A which are attached to this amendment.

The other terms and conditions of this Contract not amended hereby shall remain in full force and effect.

**IN WITNESS WHEREOF:**

**CLEAN HARBORS ENVIRONMENTAL SERVICES, INC.:**

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**George L. Curtis, Sr. V.P. Pricing and Proposal**

**Date**

**DEPARTMENT OF ENVIRONMENT AND CONSERVATION:**

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**James H. Fyke, Commissioner**

**Date**

**APPROVED:**

**DEPARTMENT OF FINANCE AND ADMINISTRATION:**

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**M. D. Goetz, Jr., Commissioner**

**Date**

**COMPTROLLER OF THE TREASURY:**

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**John G. Morgan, Comptroller of the Treasury**

**Date**

**EXHIBIT 1-A**  
**EFFECTIVE 8/1/06**  
**SERVICE RATES**

**HAZARDOUS WASTE COLLECTION EVENTS AND SCHOOL CHEMICAL CLEANOUTS**

**NOTE: The pricing in item 6 is based upon net weight. Any inclusion of container minimum charges will make the cost proposal nonresponsive.**

1.	One-day Collection Event — Cost of LABOR (Base Fee)*	\$1,750.00
2.	Cost for LABOR for each ADDITIONAL DAY OF EVENT (Base Fee)*	\$450.00
3.	One-day Collection Event — Cost of EQUIPMENT	\$577.00
4.	Cost for EQUIPMENT for each ADDITIONAL DAY OF EVENT	\$491.00
5.	Mobilization cost per school:	
a.	In the SAME county as scheduled collection event	\$100.00
b.	In a county ADJACENT to the scheduled collection event	\$100.00
c.	In a county CONTIGUOUS to an adjacent county to the scheduled event	\$100.00
6.	Net weight unit cost for disposal of the following, including but not limited to, all required labor, packaging and containerization, labeling, and associated transportation costs	
a.	One (1) pound of flammable liquid	\$0.260
b.	One (1) pound of flammable solid	\$1.120
c.	One (1) pound of corrosive material	\$1.120
d.	One (1) pound of oxidizing material	\$1.120
e.	One (1) pound of poisonous (e.g., pesticide) material	\$1.120
f.	One (1) pound of paint	\$0.305
g.	One (1) pound of antifreeze	\$0.330
h.	One (1) pound of aerosols/compressed gas	\$1.120
i.	One (1) pound of miscellaneous dry cell batteries	\$1.120
j.	One (1) pound of lead-acid batteries	\$0.150
k.	One (1) pound of used oil	\$0.190
l.	One (1) pound of reactive material	\$5.000
m.	One (1) pound of elemental mercury containing material	\$4.000
n.	One (1) pound of fluorescent tubes (8' maximum length)	\$1.120
o.	One (1) pound of electronics scrap material	\$0.330
p.	One (1) pound of non-hazardous liquid	\$0.280
q.	One (1) pound of automotive oil filters	\$0.440

- \* The cost for LABOR for items 1 and 2 are the Base Fee for each County's Event. The multipliers in the following table shall be used to determine the actual charge for that Event. The HHW Coordinator shall determine the appropriate multiplier based upon the most recent data available. In some instances, unusual circumstances may affect the validity of the multiplier. The HHW Coordinator shall have discretion to assign the appropriate multiplier. The Contractor will be notified in advance which multiplier will be applied to each Event.

Participating Households	Multiplier
0-125	.5
126-250	1
251-500	2
501-1000	4
1001-1500	8
1501-2000	10
>2000	12



## EXHIBIT 2-A

EFFECTIVE 8/1/06

### SERVICE RATES

#### FIXED-LOCATION PICK UPS

**NOTE:** The pricing in item 1 is based upon net weight. Any inclusion of container minimum charges will make the cost proposal nonresponsive.

1.	Net weight unit cost for disposal of the following, including but not limited to, all required labor, packaging and containerization, labeling, and associated transportation costs	
a.	One (1) pound of flammable liquid	\$0.260
b.	One (1) pound of flammable solid	\$1.120
c.	One (1) pound of corrosive material	\$1.120
d.	One (1) pound of oxidizing material	\$1.120
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o.	One (1) pound of electronics scrap material	\$0.330
p.	One (1) pound of non hazardous-liquid	\$0.280
q.	One (1) pound of automotive oil filters	\$0.440
2.	Staffing	
a.	Price per hour per field chemist (to perform technical duties such as categorization, packing, labeling, etc.)	\$45.00
b.	Price per hour per laborer (for non-technical duties such as unloading vehicles, bulking liquids, such as oil, antifreeze, and paint)	\$30.00

# C O N T R A C T S U M M A R Y S H E E T

RFS Number:	327.42-069	Contract Number:	FA-06-165 06-00
State Agency:	Department of Environment and Conservation	Division:	Solid Waste Management
Contractor:		Contractor Identification Number:	
Clean Harbors Environmental Services, Inc.		<input checked="" type="checkbox"/> V- <input type="checkbox"/> C-	04-2698999 - 02

Service Description:	
Mobile Collection and Disposal of Household Hazardous Waste (HHW)	
Contract Begin Date:	Contract End Date:
8/1/05	7/31/08

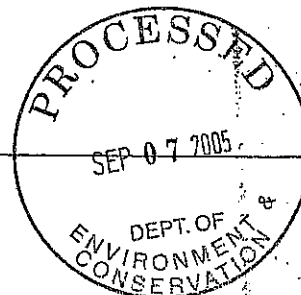
Allotment Code:	Cost Center:	Object Code:	Fund:	Grant:	Grant Code:	Subgrant Code:
327.42	301	089	20	<input type="checkbox"/> on STARS		

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL Amendments)
2006	1,200,000.00				1,200,000.00
2007	1,200,000.00				1,200,000.00
2008	1,200,000.00				1,200,000.00
<b>Total</b>	3,600,000.00				3,600,000.00

CFDA:	Check the box ONLY if the answer is YES.
State Fiscal Contact:	Is the Contractor a SUBRECIPIENT? (per OMB A-133) <input type="checkbox"/>
Name: Tom Eck Address: 18 <sup>th</sup> Floor, L&C Tower Phone: 532-0292	Is the Contractor a VENDOR? (per OMB A-133) <input checked="" type="checkbox"/>
	Is the Fiscal Year Funding STRICTLY LIMITED? <input type="checkbox"/>
Procuring Agency Budget Officer Approval Signature:	Is the Contractor on STARS? <input checked="" type="checkbox"/>
<i>Thomas W. Eck</i>	Is the Contractor's FORM W-9 ATTACHED? <input type="checkbox"/>
	Is the Contractor's Form W-9 Filed with Accounts? <input checked="" type="checkbox"/>

COMPLETE FOR ALL AMENDMENTS (only)		
END DATE	Base Contract & Prior Amendments	THIS Amendment ONLY
FY:		
FY:		
FY:		
FY:		
FY:		
<b>Total</b>		

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.



RECEIVED  
 2005 AUG 23 PM 3:06  
 COMPTROLLER'S OFFICE  
 OFFICE OF  
 MANAGEMENT SERVICES

SEP - 1 2005  
 DIRECTOR OF ACCOUNTS